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**SCHOOL
ACCOUNTS**



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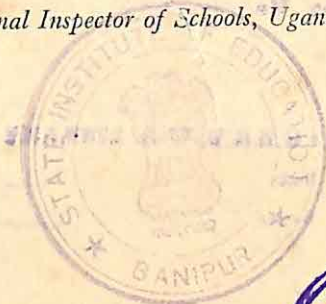
SCHOOL ACCOUNTS

*A book for teachers in all types of schools
and in particular for headteachers, and
for all those people in Education Offices,
Supervisors' Offices and other places
whose business it is to keep and present
School Accounts*

by

A/5
K. DRANSFIELD

Regional Inspector of Schools, Uganda



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§ 1. Introduction

In order to perform his duties satisfactorily and with peace of mind every headteacher must know something about accounts. Even if he (or she) is lucky enough or clever enough to get some other person, such as a bursar or an assistant teacher, to keep the account books for him, it is the headteacher in the long run who is responsible for the accounts of his school. In the same way most teachers, whether or not they are headteachers, have to keep some account at some time during their careers; this may be a sports fund, a midday meal account, or an outing fund or the like.

This book aims at helping teachers to keep accounts simply and correctly. The method it suggests is not the only one since there are several ways of keeping books. However, many of the other methods are too complicated to be useful to teachers and require special study and training. Others are misleadingly simple in that they offer an easy way of doing things in the first place but in the long run fail to help a person to achieve the aims of book-keeping. For these reasons an attempt has been made to present a system which is simple enough to be followed by anyone without special training and yet complete enough to enable a person to do all that is required.

It will be noticed that the examples in this book are given in pounds, shillings, and pence; the *principles*, however, are the same even if you are working in East African shillings and cents, or in Hong Kong dollars, or in the currency of any other country.

Part One

§ 2. School Accounts

What are Accounts ?

At some time or other in our private lives most of us are asked by someone to do something for them which involves receiving or spending money, or making use of goods on their behalf. Later on we are asked to say to what use we have put the money or the goods and in giving a reply we give an 'account' of what we have done. To take an example, a friend may give us some money, say, £1, to buy two particular books for him. We go to the Bookshop and on our return we go to our friend and say, "Here are your books. This one cost five shillings and this cost seven shillings. Here is your receipt for twelve shillings and here is eight shillings change." That is our 'account' which we give easily, readily, and successfully.

In our lives as individuals such an event may happen only occasionally and, when it does, we usually give our 'account' immediately after it has been concluded. However, in a school-year many events take place involving money, or stock, or equipment. An 'account' of all of them must be given by the headteacher not as they occur but often much later and usually not until the year-end.

Without some system of making records he could not possibly give an account accurately. Thus the need for records or 'Accounts' as we prefer to call them. These accounts are largely concerned with recording the facts relating to the following events:

- i. receipts and payments of money,
- ii. receipts and issues of stock,
- iii. receipts of permanent equipment.

Why Keep Accounts ?

As you have seen accounts are records of what we receive and of what we give or pay out. An important reason why we keep these records is quite simple and can be summed up in the poet's phrase—"to err is human". Small sums of money and sometimes large ones sometimes appear to lose themselves. "What happened," we often ask ourselves, "to the three shillings, or was it four shillings, we remember having taken from the petty cash-box the month before?" "What happened to those exercise books we bought only last month?" Or more often, "Why on earth is the cash-box lighter than it should be?" The answer to these mysteries can, of course, be theft but far more often it is sheer forgetfulness.

No hard-and-fast way of ensuring that everybody remembers everything that he ought to remember has yet been invented. If we keep accounts, however, and by this is meant a set of account books which are filled in promptly, regularly, neatly, and accurately, we shall avoid those mysterious losses of

cash and equipment. We shall thus save ourselves much time, much worry (sometimes much money), and above all, when the time comes, we shall be able to face the Board of Managers readily with a clear and accurate account of all our dealings during the year. Such a presentation of accounts is good for the peace of mind of the headteacher in the short run and will stand to his credit in the long run. Furthermore, a straightforward set of accounts is likely to put the Board of Managers in a good frame of mind when the all-important business of considering the estimate of future needs comes along.

The Aim of School Accounts

There is no single way of keeping good accounts but whatever method you follow you should ensure that it aims at the following:

- i. Telling you how much you may spend and what you may spend it on.
- ii. Telling you how much you are to receive and from where you may expect to receive it.
- iii. Enabling you to tell what you bought or received and how much it cost.
- iv. Giving you the means of finding out where everything is, or where it has gone to.
- v. Telling you at any time during the year how much remains in your accounts to be spent on any particular item.
- vi. Making it possible for an auditor or other appointed person to check your books easily and at the same time enabling you to give an

explanation, where required, easily and without embarrassment.

- vii. Enabling you to make out your final accounts for presentation to the Board of Managers in a clear, concise, and satisfactory way.

Part Two
Estimated Expenditure and Income

§3. Expenditure

How Much Can I Spend ?

Before a school year begins the headteacher must be able to answer that question. He should know what he can spend and what he can spend it on. Somebody has to decide this question and one or two different Bodies may be involved. It may be the Education Department, or the Local Education Authority, or the Managers, or the Headteacher. Very often, these days, the job of making a final decision is left to the school's governing body called 'the Board' or the 'Management Committee'.

The Business of Asking

Before a Board of Managers, or any other authority, meet to discuss the needs of a school they may, and usually do, ask the headteacher to prepare estimates of his requirements for the coming school-year. This he will do and for reasons which will be explained later he would be wise to make his estimates as early in the year as possible. How should he set about this business of making estimates?

First Steps—The Main Heads

First of all it will save time and help clearness of thought if the headteacher puts down main headings for his needs. For example, a useful list might appear as follows:

- Staff Salaries
- Consumable Equipment
- Semi-permanent Equipment
- Permanent Equipment
- Maintenance and Repairs
- School Meals
- Travel and Transport
- Medical
- Sports
- Miscellaneous

Having done this he can then proceed to work out the details of requirements under each heading. Let us now look at each of the items in turn.

Details of the Main Headings

i. *Staff Salaries*

Usually this is an item upon which advice must be sought because the Board of Managers is often responsible for the appointment of staff. The headteacher will therefore consult the representative of the Board, or someone with the necessary authority, and after receiving advice he will summarize the school's needs. An example of how this might be done is given below:

ESTIMATES: STAFF LIST FOR 1963

	1962	*INCREMENT	1963
1. Robert Musanda H/m	£575	£25	£600
2. John Roy	£525	£25	£550
3. Stefano Zomba	£500	£20	£520
4. Peter Temarara	£500	£20	£520
5. Robert Ganda	£470	£20	£490
6. James Blantyre	£305	£15	£320
			<u>£3,000</u>

* It should be noted that if some or all of the teachers receive increments in the middle of the year, the arithmetic of this table will be a little more complicated. It will also be more complicated if there are any changes of staff in the middle of the year, or at the end of it.

ii. Consumable Equipment

Under this heading appear all items which are issued to pupils and are used for a very limited time. They are usually received and used in a single school year and include the following items:

- Exercise Books
- Pupils' Personal Textbooks
- Pens
- Pencils
- Rubbers
- Ink
- Rulers
- Blotting-paper
- Chalk
- Materials for Illustrations
- Art Materials
- Teachers' Notebooks

In dealing with consumable equipment head-teachers must relate needs to numbers of pupils in the school. For example, it must be decided how many exercise books will be used, on average, by each pupil. Having decided upon numbers per pupil then that figure must be multiplied by the number of pupils estimated to be in school in the coming year. Having arrived at total figures the next step is to find the cost. This procedure will be followed in the case of every item listed except in the case of materials required for the use of teachers when a similar calculation must be made but related to teachers' numbers and needs.

The following example illustrates how the calculations are set down:

ITEM	NO. PER PUPIL	PUPILS ON ROLL	TOTAL ALL PUPILS (BOOKS)	COST EACH (OR PER DOZ.)	TOTAL COST
Exercise Books	12	210	2,520	4/- doz.	£42
Pens	2	210	420	1/- doz.	£1 15

iii. *Semi-permanent Equipment*

Under this Head are considered items which are intended to last more than a year but which deteriorate rather more quickly than, say, school furniture. They include:

- Textbooks belonging to the school
- Items of sports equipment, such as Football Shirts
- Gardening Tools
- Maps
- Certain articles of equipment used for school meals, such as plates

iv. *Permanent Equipment*

As the name implies, items with a fairly long life are classed as permanent equipment and include:

- Desks
- Teachers' Tables
- Teachers' Chairs
- Cupboards
- Machinery

v. *Maintenance and Repairs*

Windows and doors sometimes become damaged. Tools need repairs and maintenance. How much is likely to be needed? That is the question to be decided.

vi. *School Meals*

A feeding programme must be worked out where school meals are provided. Calculations should be worked out on a cost per day system which in turn will be based on the average annual price of things.

Usually staple foods form the main part of school feeding and market prices tend to vary in season and out of season. Again it must be related to numbers of pupils requiring meals and who are able and willing to pay.

vii. *Travel and Transport*

Transportation of food and the travel to be done by the headmaster on school business. Here the Head must be factual and reasonable.

viii. *Medical*

A box of simple first-aid equipment is required. Usually the Medical Department of Government will advise what is necessary and the chemist will quote prices.

ix. *Sports*

This item includes the expenses for special events, such as the annual sports day when refreshments are provided for visitors.

x. *Miscellaneous*

Under this heading come the many small items such as stamps and envelopes, and possibly a few larger ones such as the wages of a night-watchman or those for a labourer. It also includes a small sum for unforeseeable expenses which have a habit of coming along during a school-year. The last mentioned expenses usually come under the description of Petty Cash about which we shall see more further on in this book.

The Final Estimates of Expenditure

These might appear as follows:

ITEM	EXPLANATORY	
	£	NOTES
1. Staff Salaries	3,000	1
2. Consumable Equipment	200	2
3. Semi-permanent Equipment	160	3
4. Permanent Equipment	300	4
5. Maintenance and Repairs	10	5
6. School Meals	750	—
7. Travel and Transport	30	6
8. Medical	10	—
9. Sports	10	—
10. Miscellaneous	20	7
	<u>£4,490</u>	

Explanatory Notes

The column headed 'Explanatory Notes' itself needs an explanation. Attached to the actual estimates which are, in fact, a summary of requirements there should be notes explaining the make-up of the various items where it is considered that an explanation is desirable and helpful. For example, Note 1 will deal with salaries and we have already seen how the details will appear. Note 2 will give details of how the figure for consumable equipment is arrived at and will not only be useful to the Committee but will also remind the headteacher of his calculations and plans for the year and throughout the year.

So much for the estimates of the things we need and of the money we hope to receive in order to obtain those needs. Now we come to the very vital question, "Where is the money to come from?"

§4. Income

Where is the Money to Come From ?

Up to this point we have seen an explanation of the method of estimating the cost of the school's needs. Next comes the very important job of estimating where the money is to come from to pay for those needs. In carrying out this task the headteacher will no doubt seek the advice of the Secretary to the Board, or the Supervisor, or the Education Officer, or some such person, at least in respect of certain special items.

Special Grants

The Headteacher should proceed by looking down his list of expenditure to see if he can set some of the items against special grants. For example, Staff Salaries are often met wholly by the Government, either the Local Government or the Central Government. Possibly too other items may be the cause of a successful appeal to the Local Education Authority for special grants, e.g. money for library books, or for a medical box, or sports equipment. (*In some countries*

there is a system by which Local Governments are responsible for the provision of education at various levels. The Local Government may be in the form of a District Council, or a County Council, or a City Council, or a Town Council. Whatever the form, if the Council is responsible for education, it is known as the Local Education Authority, or in brief, the L.E.A. The L.E.A. usually functions through a special committee known as the Education Committee and this is sometimes a sub-committee of the Council. One of the functions of the Education Committee is to prepare Estimates of Expenditure in respect of Education. The funds to meet the expenditure must be raised by taxing the people, or as we say, the public. Hence when making use of money raised in this way we talk about spending Public Funds. Because of the nature of these funds the Council has a special responsibility to the public and therefore the estimates prepared by the Education Committee must receive the approval of the Council before any expenditure can be made.)

Earlier it was said that headteachers should prepare their estimates as early in the preceding year as possible. This advice was given because such bodies as the Education Committee usually meet to consider estimates for the whole District several months before the new financial year begins. If, then, a headteacher wishes to put in a special request for funds he must put it forward early enough for the Education Committee to consider his request. Furthermore, he would find it rewarding not only to be early with his application but also to present his facts carefully and politely.

The Final Estimates of Income

Assuming the headteacher has acted wisely and in good time the Estimates of Income to match the Estimate of Expenditure given in our example might very well appear as follows:

ESTIMATES OF INCOME

	SOURCE			
	PUBLIC FUNDS	OTHERS	PUPILS	TOTAL
	£	£	£	£
1. Staff Salaries	3,000	—	—	3,000
2. Permanent Equipment	300	—	—	300
3. Medical	10	—	—	10
4. Sports Equipment	—	10	—	10
<i>Sports Union Grant</i>				
5. School Meals	120	—	—	120
<i>Fees 210 Boys at £3 ea.</i>	—	—	630	630
6. Tuition Fees				
<i>Fees, 210 Boys at</i>				
<i>£2 ea.</i>	—	—	420	420
	£3,430	£10	£1,050	£4,490

School Fees

It will be noted that after taking into account all outside sources of income a balance of £420 remains. The only other source remaining is fee income, and so

we divide the balance among the pupils in the school. In our example there are 210 boys and each will be asked to pay £2.

This assumes that the 210 boys will be able and willing to pay £2 each but this may not always be the case. If, then, a headteacher finds that his estimate of expenditure is greater than his estimate of income and if he cannot raise the money by simply raising school fees, then obviously he must reduce the estimate of his needs.

§5. The Board Examines the Estimates

Now we come to the matter of making a final decision on the content of the estimates. We have already seen that this is the job of the 'Board' or the Managing Committee. In reaching a decision the following matters will usually be taken into account:

- i. the amount spent in the present year
- ii. whether prices have gone up or down
- iii. whether there will be more or less pupils in the new school year
- iv. whether the item is a totally new one and if so why it should be wanted
- v. whether it can be afforded. This is the most important factor of the lot and in deciding the Board will consider sources of income. To illustrate this point let us look at the school in our example. The Board would probably remind the headteacher that the following items could only be spent if and as grants were received from the Education Committee.

Staff Salaries	£3,000
Permanent Equipment	£300
Medical	£10
Sports Equipment	£10
School Meals	£120

He would be advised to apply at once through his representative on the Education Committee (e.g. Supervisor, Education Secretary, Treasurer, or some such person) or to the Secretary of the Education Committee direct for the grants. Should he be unsuccessful then he would have to revise his plans for the new year, e.g. a cut in salaries could result in a cut in staff; refusal of the £300 for permanent equipment could lead to a reduction in the intake of new pupils, and so on. He would or should be advised also that grants are usually given for a special purpose and are not usually transferable. For example, a saving in salaries could not normally be used for purchasing books.

A Vote

What has been decided is customarily called 'A Vote' because it has been 'voted', or agreed upon in Committee by the managing body concerned. Such a vote will cover a stated period of time. This is usually either a calendar year, i.e. from January to December or a special financial year, e.g. from July in one year to June in the next. The special financial years are usually convenient to Government but most inconvenient to those responsible for book-keeping in schools and need to be understood and watched

carefully. If the dates are not known or ignored they can lead to difficulties caused by over-spending and by headteachers not putting forward their appeals for special grants in time.

The Vote Head

Each item of expenditure is given a Vote Head, or title, known simply as a 'Head' and this corresponds very closely to the 'Main Heading' with which we dealt in the section on Estimates of Expenditure. It means, for example, that if a school is allowed to spend £150 during the year on Consumable Equipment its vote under the Head 'Consumable Equipment' will be £150.

When decisions on the estimates have been completed, a headteacher can seek permission to spend the money as approved by the Board. However, he must not spend more than his vote, and if he wants to do so he must seek the Board's permission.

The final discussions about the Estimates will take place at the end of a school-year. During the school-year to which these estimates refer a headteacher must keep records of:

- (a) The money he receives and the money he spends,
- (b) The equipment and stores he receives and what happens to them.

The next two Sections in this book will show how he can keep these records.

Part Three

The Account Books

To keep accurate accounts of money receipts and payments a headteacher will require three books:

- (a) A *Cash Book* in which to enter everything he receives and everything he spends.
- (b) A *Vote Book* in which to enter the details of everything he spends under its appropriate 'head of expenditure'.
- (c) An *Income Book* in which to enter the details of everything he receives under its appropriate 'head'.

A little later it will be clearly seen that the order of making an entry of any payment in the account books is first of all in the *Cash Book* and then in the *Vote Book*: while the order for recording a receipt is again first in the *Cash Book* followed by an entry in the *Income Book*. This order of things is given emphasis at this point because we now go on to examine first the *Vote Book*, then the *Income Book* and last the *Cash Book*. The reason for this is that both the *Vote Book* and the *Income Book* need special preparation *before* the school-year begins, whereas the *Cash Book* needs no such preparation.

§6. The Vote Book

Its Purpose

This is the book in which are recorded the various 'Heads' of expenditure and the amount which can be spent on each. This information is got from the approved estimates and must be recorded in the Vote Book before the year begins. In it every item of money paid out will be recorded in detail and, as will be seen further on, it is so arranged that a person can see at any time exactly how much money is left to be spent under each Head.

An Illustration of a Vote Book

Probably a headteacher will be able to buy a book specially printed for the purpose but, if not, he should use a suitable book which can be ruled and given headings as follows:

VOTE HEAD					PAGE
Estimates Item No.					
Year: <i>From</i> <i>to</i>					
Amount Voted					
DATE	PAYMENT TO	CASH	AMOUNT	TOTAL	BALANCE
		BOOK		SPENT	LEFT
		PAGE			

The List of Contents of the Vote Book

Next the headteacher should reserve a page in the front of the book as a Contents page. For our example the list would appear thus:

CONTENTS	
	PAGE NUMBER
Staff Salaries	I
Consumable Equipment	3
Semi-permanent Equipment	5
Permanent Equipment	7
Maintenance and Repairs	9
School Meals	10
Travel and Transport	14
Medical	16
Sports	17
Miscellaneous	18

It will be seen that the list follows the order of the estimates.

Making Entries from the Estimates

Next the headteacher will be ready to enter the Vote Book with details from the Estimates which were agreed by the Board.

Overleaf (top of page 28) is an example of a page as it may appear.

In like manner details of the other items included in the estimates will appear in the Vote Book, e.g. details of the Consumable Equipment vote will appear at page 3, and those for Semi-permanent Equipment at page 5.

VOTE HEAD..... *Permanent Equipment*

PAGE 7

Estimates Item No. 4

Year: *From 1st Jan. 1963 to 31st Dec.*

1963

Amount voted £300

DATE	PAYMENT TO	CASH BOOK PAGE	AMOUNT	TOTAL SPENT	BALANCE LEFT

§7. The Income Book

An Illustration of an Income Book

INCOME HEAD.....	PAGE
Estimates Item No.	
Amount	Source of Income
Year	i.
	ii.

DATE	RECEIPT NUMBER	RECEIVED FROM	CASH BOOK PAGE	AMOUNT	TOTAL RECEIVED	BALANCE STILL TO BE RE- CEIVED

Its Purpose

Just as it is necessary to keep a Vote Book to record how much 'expenditure' is permissible on the various items in the estimates and to show at any given time

how much has actually been spent, so it is wise and convenient to keep a book to show what grants are expected and to show how much has actually been received. For example, fees are required as estimated and a careful check must be kept on all receipts. Hence the need to keep special records of 'Income'. Such records are made in what is conveniently called the Income Book. It has a contents page in front as in the case of the Vote Book and is set out in a similar fashion.

Making Entries from the Estimates

Recording entries from the estimates is simply a matter of transferring information from the estimates to the Income Book. For example, in the illustration entries would be:

		PAGE 1
INCOME HEAD	<i>Staff Salaries</i>	<i>Source(s) of</i>
Estimates Item No. 1		<i>Income</i>
Amount	£3,000	i. L.E.A.....
Year	<i>1st Jan. 1963 to 31st Dec. 1963</i>	ii.....

§ 8. The Cash Book

Its Purpose

The year begins and almost at once money is received and payments are made. What is the procedure for making records of these events? Here we introduce the Cash Book.

This is really an account showing a summary of all receipts and payments as they are made and in this book *first records* of these events must be made.

An Illustration of a Cash Book

CASH BOOK

DATE	RECEIVED FROM	IB PAGE	AMOUNT	DATE	PAID TO	VB PAGE	AMOUNT	RECEIPT NO.
------	---------------	------------	--------	------	---------	------------	--------	----------------

It will be seen that the book has a side for money received and one for money paid out. It also has a column headed IB Page meaning Income Book Page and one headed VB Page meaning Vote Book page. The purpose of these columns will become clear shortly. There is also a column on the payments side headed Receipt No. This, too, will be explained further on. It should be pointed out here, however, that the column headed Receipt No. in the Income Book is quite distinct from that in the Cash Book. That in the Income Book is the number of the receipt GIVEN OUT by the headteacher for money received whereas that in the Cash Book shows the number of the receipt RECEIVED by the headteacher for money paid out by the school.

An Example of Events

Consider the following:

- (a) The headteacher received in actual cash (currency notes, silver, and copper coins) the following sums:

On Jan. 1 From the Pupils—fees £20.

On Jan. 2 From the Pupils—fees £6.

On Jan. 20 From the Treasurer—salaries £209.

(b) He pays out the following in actual cash:

On Jan. 20 To Staff—Salaries £209.

These events will be recorded in the Cash Book as shown in the example overleaf (page 32).

(An explanation of the term 'actual cash' is given because many schools now have their own bank account and receive and pay out money in the form of bank cheques. Where this is so, the cash book allows for these distinct receipts and payments by having additional columns in the Cash Book, as follows:

DATE	RECEIVED FROM	IB PAGE	AMOUNT	
			BANK	CASH

A similar additional column would appear on the payments side headed 'Bank'.)

§ 9. The Relationship between the Cash Book, the Vote Book, and the Income Book

Some schools have a Cash Book but no Income Book and no Vote Book. Many schools have only a Vote Book. Such systems are examples of those to which reference was made in the Introduction to this book and they are misleadingly simple. To put everything

CASH BOOK

DATE	RECEIVED FROM	IB PAGE	AMOUNT	DATE	PAID TO	VB PAGE	AMOUNT	RECEIPT NO.
1963 Jan. 1	Pupils	9	£ 20	1963 Jan. 20	Staff	1	£ 209	1
Jan. 2	Pupils	9	6					
Jan. 20	Treasurer	1	209					

into a Cash Book only is like a shopkeeper placing all his goods in one big box instead of putting each different item in a special place. At first it would be easy to put everything in the box but afterwards the business of checking his stock would cause him to waste as much time as he had gained and a quick check would be impossible. On the other hand, a Vote Book only is not helpful in making a speedy check on total income, or total receipts, or the total amount of money in hand.

The Cash Book is useful as a summary of events and the Income Book and the Vote Book are useful for giving details of those events in a convenient way under special Headings. Furthermore, and this is very important, by entering events first in the Cash Book and then in either the Income Book or in the Vote Book the person keeping the books provides himself with a double check on everything, so eliminating errors of memory or of entry. There is also an advantage in keeping books in this way from the point of view of an Inspector or a School Supervisor or anyone authorized to examine school records. The arrangement of the accounting records enables them to carry out their duties quickly and satisfactorily. Yet again the system enables a hand-over from one headteacher to another to be carried out without difficulty, leaving no doubt in the mind of the new-comer. This is particularly advantageous if a change has to be made suddenly as a permanent measure or as a temporary one.

Having seen the relationship between these three books let us return to our example. Entries have been

made in the Cash Book; now for the entries in the other books. First, the Income Book. We have seen that on January 1st £20 was received from the pupils. The total amount received was recorded in the Cash Book on page 1 and in the IB page column we saw the figure 9. Now we turn to page 9 of the Income Book and see that entries have been made as illustrated below:

INCOME BOOK

PAGE 9

INCOME HEAD <i>Tuition Fees</i>	Source of
Estimates Item No. 6	Income
Amount £420	i. <i>Pupils</i>
Year <i>1st Jan. 1963 to 31st Dec. 1963</i>	ii.....

DATE	RECEIPT NO.	NAME	CB PAGE	AMOUNT	TOTAL RECEIVED	BALANCE TO BE RECEIVED
Jan. 1	1	R. Tibs		£2	£2	
	2	B. Kenya		£2	£4	
	3	R. Ghana		£2	£6	
	4	F. Tana		£2	£8	
	5	T. Madras		£2	£10	
	6	L. Man		£2	£12	
	7	F. Francis		£2	£14	
	8	S. Tomas		£2	£16	
	9	T. W. Grant		£2	£18	
	10	L. India		£2	£20	£400

Jan. 2

Similar entries would be made for the £6 received on 2nd January.

In this example full details of fees received have been given, however it may be thought better to keep a separate book for fees to record the details, in which case only the totals of fees received need be shown in the Income Book. Each pupil must be given a receipt for his fees and the school should have a carbon copy of each receipt. Details of these receipts should be kept for ease of reference and it is up to the Headteacher to decide on the form which his record will take.

Again we turn to the Income Book, this time to page 1. That is the page on which we find details of the grant for salaries. £209 was received from the Treasurer (or some such person), for salaries of the teachers. This event will be recorded as follows:

INCOME BOOK

PAGE 1

INCOME HEAD <i>Staff Salaries</i>	Source(s) of
Estimates Item No. 1	income
Amount £3,000	i. L.E.A.....
Year 1st Jan. to 31st Dec. 1963	ii.

DATE	RECEIPT NUMBER	FROM	CB PAGE	AMOUNT	TOTAL RECEIVED	BALANCE TO BE RECEIVED
1963 Jan. 20	15	Treasurer —January	1	£ 209	£ 209	£ 2,791

Next we see the other side of the business of receiving a grant for salaries and paying it out. On January 20th £209 was paid out to the teachers. A first entry of the event was recorded in the Cash Book on the payments side on page 1 next came the entry in the Vote Book. The following illustration shows how it was done:

VOTE BOOK

PAGE 1

VOTE HEAD *Staff Salaries*
 Estimates Item No. 1
 Year: *From 1st Jan. 1963 to 31st Dec. 1963*
 Amount voted £3,000

DATE	PAYMENT TO	CASH BOOK PAGE	AMOUNT	TOTAL SPENT	BALANCE LEFT
1963 Jan. 20	J. Gateley	1	£ 40	£ 40	£ 2,960
„	R. Peters	1	35	75	2,925
„	T. Thomas	1	32	107	2,893
„	K. Sunday	1	35	142	2,858
„	T. Night	1	35	177	2,823
„	L. Manson	1	32	209	2,791

These examples serve to illustrate the following points:

- i. the system of making two entries for every item. First in the Cash Book, then in either the Income Book or the Vote Book.
- ii. the purpose of each of these books. The Cash Book being a summary of receipts and payments in the briefest form and the other two books giving details of every item and an up-to-date figure of balances of money still to be received or still to be spent.
- iii. the purpose of reference numbers in providing a means of reference from one book to another.
- iv. the means of recording the all-important business of receipts.

§10. The Petty Cash Book

Most headteachers prefer to put in safe keeping cash received which is not to be used immediately for a specific purpose (e.g. salaries) and indeed this is usually the rule and the custom. However, it is necessary in every school to keep a small sum of money readily available for small payments. Roof beams occasionally need nails, and letters invariably need stamps. To buy these odd bits and pieces it is usual for the Managers to vote the headteacher a sum of 'petty cash'. Petty means 'small' so you can see that the title is an apt one. This item could best be included under the heading of 'Miscellaneous' in the estimates.

Petty Cash should be dealt with in a separate little book—a small notebook would be sufficient. The

headteacher should note that only cash received as Petty Cash may be entered in the book. Receipts from other sources must be dealt with in the main cash book.

The best system is for a round sum of money to be drawn from school funds. The amount could be agreed by the Treasurer or the Secretary of the Board and may be, for the sake of convenience, say, £2. This sum appears on the receipts side of the Petty Cash book and as occasion arises payments are made and recorded on the payments side. As the original £2 becomes exhausted or at the end of a set period, say, monthly, the headteacher produces the Petty Cash book together with receipts to the person who gave him authority to open the book, and he is then allowed to draw an amount equal to his payments. For example, if his receipts in respect of payments made during the month total Sh. 15 then he will be allowed to draw Sh. 15 in cash to make up his original figure of £2. Thus he restores the Petty Cash to the original round sum.

Records of payments to Petty Cash are recorded in the Cash Book on the Payments side and in the Vote Book on the page headed 'Miscellaneous' as they occur.

§ 11. Checking Accounts

As the school year progresses the Head must check his various items in the Vote Book to ensure steady and wise spending and he must also keep an eye on

the Income Book to make sure that funds are coming in as and when they are due. He must be prepared to make adjustments in the light of events. For instance, in our example we have an estimated expenditure of £750 in the Vote Book for School Meals. This is based on requirements for 210 boys. However, if in fact it is decided to drop a class and only 175 boys are admitted, or if for other reasons the number paying fees falls below 210, then the amount to be spent on food must be reduced proportionately.

Failure to keep this constant check has landed more headteachers in serious difficulties than might seem possible.

Part Four

Stores

§ 12. The Stock Book

What Have I Received ?

Having made out the estimates and having had them examined and agreed a headteacher can then begin to purchase his needs for the school. The job of going to the shops, paying cash for the goods, and arranging for them to get back to the school is sometimes the business of the headteacher but very often it is left to the School Supervisor, or to a branch of the Education Department. If the job is done for the teacher, it is because it is generally agreed that it is far better if teachers use all their available time for teaching and do not waste it on shopping. Furthermore, by making bulk purchases for a number of schools it is possible to get better prices resulting in a saving to the schools. The practice will vary from place to place but whatever the custom in your area, there is no doubt that, when these goods arrive at your school, it immediately becomes the responsibility of the headteacher to account for them.

Ordering Stock

Sometimes a Supervisor or some such person decides what is to be sent to a school, but more and

ORDER FORM

Order

To (*here would be written the name and
address of the supplier*)

No.

.....

.....

From (*here would be written the name and
address of the school*)

.....

Details of Order

Please supply,
Article

Quantity

Other details

Here the headteacher might wish to say when the articles
are to be delivered and by what means.

.....
Headteacher's signature.

Date

more headteachers are being allowed discretion to make their own orders, and the business of ordering must be done properly if arguments and misunderstandings are to be avoided later on. For this reason there should be a special order form. This could usefully appear as shown in the example on page 41.

Such an order form would be made out in duplicate, the second copy being kept at the school for reference.

Receiving Stock

When stock is received the headteacher should take out his order book and (a) check his order against the 'delivery note', (b) check the actual goods received against the delivery note. When he is satisfied, but not until, he should sign the note, keeping the original copy for his file.

Entering up the Stock Book

As soon as possible after receiving goods, which means almost immediately, the headteacher should make a record of what he has received in his Stock Book. This is a book in which all receipts of stock and all issues of stock are made. It is set out to show both sides of the business of receiving and giving out each page having columns for this purpose.

On the receipt side of the Stock Book are columns to show what kind of things have been received, when they are received, how many or how much, and the prices. Thus a receipt side of a page will look like this:

STOCK BOOK

Type of Goods

GOODS RECEIVED						
DATE	FROM	NUMBER	COST EACH	TOTAL COST	DN NO.	VB PAGE

Issuing Stock

Very soon teachers will ask for equipment for their classes and next we must deal with the job of giving out things and making records of what is done.

For the purpose the Stock Book will have a 'Goods Issued' side to each page. This will appear as follows:

STOCK BOOK

Type of Goods

GOODS ISSUED					
DATE	TO	CLASS	NO.	SIGNATURE	BALANCE IN STORE

An Example of Goods Received and Goods Issued

Consider the following:

Feb. 1 240 exercise books are received from

the Schools Supervisor. They cost 3 shillings per doz.

March 1 120 exercise books are received from the Supervisor at the same price.

Feb. 2 Books are issued to T. Night, R. Peters, and L. Manson who take 72, 72, and 58 books respectively.

The Stock Book entries will appear as in the illustration on page 45.

It will be seen that reference is made to the Explanatory Notes of the Estimates. You will remember that details of each Head appear in these notes. In the case illustrated it is clear that an item of £42 was allowed for the purchase of exercise books from the total vote of £200 for Consumable Equipment. It is a good idea to keep a separate part of the Stock Book for each item if over-expenditure on particular items is to be avoided. The column headed DN shows the number of the Delivery Note and that headed VB Pg gives the Vote Book reference.

You should note that as teachers draw stock they give a signature. This enables a headteacher to keep a check on stock being used in each class and acts as a kind of receipt to show to the Auditor when the final accounts are being prepared.

Making Records of Payment for Stock

Goods have been received and entered in the Stock Book. Somebody must pay for them. If the business of buying is left to the headteacher he will receive a bill from the supplier. He will check the bill against

STOCK BOOK

TYPE OF GOODS *Textbooks* Page
 Estimates Head *Consumable Equipment* No. 27
 Reference *Estimates Explanatory Note 2*
 Amount *£42*

Goods RECEIVED							Goods ISSUED					
DATE	FROM	NO.	COST PER DOZ.	TOTAL COST	DN NO.	VB Pg	DATE	TO	CLASS	NO.	SIGNATURE	NO. IN HAND
1963 Feb.	Supervisor	240	3/-	Sh. 60/-	1	3	1963 Feb. 2 2 2	T. Night R. Peters L. Manson	3 2 1A	72 72 58	T. Night R. Peters L. Manson	168 96 38
Mar. 1	Supervisor	120	3/-	30/-	9	3						158

the delivery note (or possibly against a first statement from the supplier called an invoice). Then he will pay.

If the system is as described in our illustration and he pays all the money received for fees and so on to the Treasurer, or Supervisor, then he will ask for a sum equal to the bill which he has received. When he receives the money he will make an entry in the Cash Book on the income side and will make another entry in the Income Book. When he has paid the bill he will make an entry in the Expenditure side of his Cash Book and a similar entry in his Vote Book.

Probably all the business of paying out will be done by the Treasurer or the representative of the school, but even so entries must be made as described in the foregoing paragraph if correct records are to be maintained.

The procedure is a matter for local arrangement and the examples illustrated will guide headteachers and others in the course to follow.

Things to Remember

1. Make out a proper order and keep a copy.
2. Check the goods against the delivery note and against the order.
3. Make entries of goods received and goods issued as soon as they are received or given out.
4. Do not be in such a hurry that your handwriting suffers. A badly written entry in your Stock Book is more confusing than one left out by mistake.

Incidentally, make your entries in ink and if you need to make a correction to an entry never alter figures, or rub out, simply cross out neatly and write the correct figure above that crossed out.

5. Keep copies of orders, delivery notes, and receipts and make special files for safekeeping.

§ 13. The Inventory

Its Purpose

What happens if I get a new teacher's table and chair in my classroom you may ask. Do I have to enter this up in my Stock Book? In other words is it really 'stock'? A sensible question to which the answer is "No". Stock is generally taken to mean consumable, or semi-permanent equipment, i.e. those things which have, in a school, a comparatively short life. These range from a piece of chalk, which may last a week or less, to a football, which, with a great deal of luck and a regular greasing, may last two or three years. There is a great deal of difference between this sort of stock and, for example, a desk, a globe, or a wheelbarrow, which may last for many years. This last type of solid, hard-wearing article is called for the sake of convenience 'Permanent Equipment' because of its durable nature and we record its existence in an 'Inventory'.

An Illustration of an Inventory

Consider the following:

A new school opens on 1st January, 1963. It has a

staff of two teachers and 60 pupils. On 1st January the Manager supplies the following articles to the school:

Teachers' tables	2	Easels	2
Teachers' chairs	2	Pupils' tables	60
Blackboards	2	Pupils' chairs	60

On 9th January the headteacher orders and receives a globe from the Bookshop.

On 23rd January the Furniture Co. delivers 2 cupboards to the school.

During the year no other items of permanent equipment are ordered.

These events will be recorded in the Inventory Book as shown on page 49.

There will, of course, be more items than the eight shown in the illustration, and further pages in the Inventory Book will be set aside for them.

The business of ordering and delivery of goods will be similar to that in the case of other kinds of stock. So will the business of payment be similar, and the records also. For example, in the cases illustrated, an order would be given to the Manager for furniture on an order form. On receipt of the equipment the headteacher would check the actual items received against his order form and the delivery note. He would then make entries in his Inventory. On making or arranging for payment to be made he would make appropriate entries in his Cash Book and on the Permanent Equipment page of his Vote Book.

Some schools have a Master Inventory, which the

INVENTORY OF PERMANENT EQUIPMENT

DATE	RECEIVED FROM	TEACHERS' TABLES	TEACHERS' CHAIRS	CUP-BOARDS	BLACK-BOARDS	EASELS	PUPILS' TABLES	PUPILS' CHAIRS	GLOBES
1963									
Jan. 1	Manager	2	2	—	2	2	60	60	—
" 9	Bookshop	—	—	—	—	—	—	—	1
" 23	Furniture Co.	—	—	2	—	—	—	—	—
Dec. 31	Total Stock	2	2	2	2	2	60	60	1

Headteacher keeps, and Class Inventories upon which are recorded the items of permanent equipment which each teacher has in his or her classroom. Other schools, usually the smaller ones, keep only one inventory for the whole school. This is naturally a matter to be decided locally. Whatever the system adopted, the inventory, as you have seen, is a simple record to keep. It can be kept in an ordinary exercise book or in a specially printed book, and in the case of class inventories all that is required is a single sheet of paper stuck on a piece of cardboard and hung in a convenient place in the classroom.

The question may be asked, "What happens when an item of equipment becomes quite useless?" This is a reasonable question because even so-called permanent equipment will only serve a useful purpose for a limited number of years. If then something becomes broken beyond repair, or worn out, the headteacher should ask permission to 'write-off' the item, which means removing it from the record on the inventory. If a replacement is obtained a record will be made in place of the item written off.

This procedure must be followed also in the case of theft, or accidental damage but first the matter must be reported to those concerned (possibly including the police) and then the headteacher will await advice.

Part Five
The Year-end and the Final Account of
Income and Expenditure

§14. Preparing for the Audit

The Time of Reckoning

The year is at an end. The pupils have gone home, some never to return, and now is the time of reckoning. Very soon the Auditors will be calling for the Accounts and their supporting vouchers. This is the time when some Heads think seriously about accounts for the first time and they begin to worry. Others find the whole business far too difficult and, like the boys who find the examination in arithmetic quite impossible, they may wish they had never been born. However, with know-how and experience most headteachers will have accepted the business of accounting as an ordinary and simple, yet essential, part of their day-to-day responsibilities. For them there will be no worry or fear—only a feeling of satisfaction and confidence in themselves, and praise from those whom they serve.

The Auditor—who is he?

He is a person from outside, usually a professional accountant, who is appointed by the School Authori-

ties, e.g. the Board or L.E.A., to examine the school accounting records, or to put it more correctly, to audit the school accounts.

What will he want to see ?

If the system of accounts is followed, as outlined in this book, he will want to see the books listed below together with their supporting vouchers:

- i. *Cash Book* together with all receipts.
- ii. *Vote Book*.
- iii. *Income Book* together with copies of receipts issued, or of warrants received.
- iv. *Stock Book* together with delivery notes for things received and receipts for things given out. He will also want to see the actual articles of stock as shown in the balances in the *Stock Book*.
- v. *Petty Cash Book* with all receipts. He will also wish to see the actual balance of cash in the cash-box (unless the system is for the balance to be returned to the Treasurer before the year-end).

What to do in Preparation for the Audit

First of all it is assumed that you have made all entries of payments and receipts promptly. Secondly, it is important for you to check well before the year-end that you have received all payments due to the school. These will include fees from pupils, grants from the L.E.A. and other bodies, and possibly money from the sale of things made in the school

workshop. Thirdly, you should settle all accounts due to be paid by the school before the year-end.

All this is possible because usually holidays start at the beginning of December leaving Heads two or three weeks in which to settle their accounts. If by chance a teacher finds it impossible to clear his accounts before the year-end he must declare the position to the Auditor. Failure to do this may cause an oversight of some kind which would cause the accounts to be false, leading to embarrassment or worse.

§ 15. Closing the Accounts

If all bills have been settled and all possible income has been received, it is now left for the headteacher to close the accounts in his Account Books. How is this done?

The Cash Book

First comes the *Cash Book*. If the usual procedure is followed and headteachers pay out money as soon as possible after they receive it, then both sides of the Cash Book will be equal and, finally, it will be simply a matter of adding up both sides, i.e. the Income side and the Expenditure side, or the Debit and the Credit side as they are known to accountants, and ruling off the totals. If, on the other hand, the custom is for the headteacher to take charge of all cash receipts himself and either to bank the money or to put it in a cash-box (a very unwise procedure if large sums are

involved), then at the end of the year the Cash Book will show a balance in hand. For example, if the total of cash received by the headteacher is £2,000 and the total of cash paid out is £1,850 then he must be able to show a balance of £150. This he will either produce to the auditor as actual cash or as a balance at the bank. If the cash is at the bank, the Auditor will ask for a statement from the bank to prove that the balance shown in the Cash Book as being at the bank is in fact with the bank.

The Income Book

Next the *Income Book*. Let us look at page 1 of that book using our example again. On page 55 is an illustration of how it might appear.

At the end of the year the headteacher simply draws a line under the final entry in order to close the account, as in the illustration. This he will do throughout the Income Book.

It should be noted that the headteacher in our example has acted wisely. He had a vote of £3,000 for Salaries and has spent £2,574 only, leaving a balance at the year-end of £426. A similar position should be found in the case of every item in the Income Book. Either there should be a balance in hand or the amount voted should have been spent exactly as voted. If overspending occurs without permission from the School Board the headteacher may be called upon to refund the amount over-spent.

One of two things may happen to balances

INCOME BOOK

INCOME HEAD *Staff Salaries*
 Estimates Item No. 1 Source(s) of income
 Amount £3,000 i. L.E.A.....
 Year Jan.-Dec. 1963

DATE	RECEIPT NUMBER	RECEIVED FROM	CASH BOOK PAGE	AMOUNT	TOTAL RECEIVED	BALANCE STILL TO BE RECEIVED
1963				£	£	£
Jan. 20	15	Treasurer	1	209	209	2,791
Feb. 20	47	"	1	209	418	2,582
Mar. 21	53	"	1	209	627	2,373
April 20	79	"	2	209	836	2,164
May 20	81	"	2	209	1,045	1,955
June 20	93	"	2	209	1,254	1,746
July 21	101	"	3	220	1,474	1,526
Aug. 20	111	"	4	220	1,694	1,306
Sept. 30	130	"	5	220	1,914	1,086
Oct. 20	204	"	5	220	2,134	866
Nov. 21	215	"	5	220	2,354	646
Dec. 23	231	"	6	220	2,574	426

remaining at the year-end. If they are in respect of grants from the L.E.A. for a specific purpose, such as salaries, then they must be refunded to the L.E.A. However, if the grant is from another body then permission may be sought to retain the balance to be used in the next school-year. If the balance is from school fees or something similar then the balance will be retained and carried forward to income for the new year.

Having ruled off all accounts in the Income Book the procedure is then to summarize income as in the following illustration :

A SUMMARY OF INCOME

INCOME BOOK PAGE	ESTIMATES ITEM NO.	HEAD	ACTUAL INCOME
			£
1	1	Staff Salaries	2,574
3	2	Permanent Equipment	300
5	3	Medical	10
7	4	Sports Equipment	10
9	5	School Meals	720
11	6	Tuition Fees	400
			£4,014

(Estimated Income £4,490)

Three items show variation from the original estimates and need an explanation. The first, Staff

Salaries, we have already dealt with, i.e. £2,574 only was required for Salaries instead of the original £3,000 granted by the L.E.A. Next we see that School Meals show a figure of £720 only instead of £750 (see Estimates—L.E.A. £120 and Fees £630). The explanation is that only 200 boys were actually registered instead of 210, so income was reduced by 10 sums of £3 each, i.e. £30. So, in the case of Tuition Fees, the money expected from 10 additional boys was not received, thus reducing the total by 10 sums of £2 each, i.e. £20.

The Vote Book

After the Income Book we turn to the Vote Book. Using our example again we find that the headteacher makes out a Summary of the totals of expenditure as they appear in the Vote Book under each Head. Beginning at page 1 he notes that £2,574 has been spent on Staff Salaries, at page 3 he finds that £150 has been spent on Consumable Equipment, and so he goes through the whole book. In the end his Summary may appear as in the example given over-leaf on page 58.

The Petty Cash Book

After the Vote Book the headteacher will probably turn to the Petty Cash Book, or in fact this may be the book with which he deals first of all. Let us look at the following illustration:

Consider the following:

At the end of November the headteacher has a

A SUMMARY OF VOTE BOOK EXPENDITURE FIGURES

VOTE BOOK PAGE	ESTIMATES ITEM NO.	HEAD	ACTUAL EXPEND- ITURE
			£
1	1	Staff Salaries	2,574
3	2	Consumable Equipment	150
5	3	Semi-permanent Equipment	160
7	4	Permanent Equipment	300
9	5	Maintenance and Repairs	8
10	6	School Meals	720
14	7	Travel and Transport	25
16	8	Medical	10
17	9	Sports	10
18	10	Miscellaneous	11
			£3,968
(Estimates			£4,490)

balance of thirty-five shillings in the Petty Cash Account. He shows it to the Treasurer, or whoever pays out money for petty cash, and the balance is made up to the figure of £2.

He begins the month of December with £2.

On 6th December he pays the Building Co. ten shillings for repairs to a teacher's house.

On 9th December he buys a large spoon for the cook, costing four shillings.

On 10th December he pays the bus fare for a teacher who has been summoned to meet the school manager.

The Petty Cash Account would appear as follows:

PETTY CASH ACCOUNT

						RECEIPT
1963	£	s.	1963	£	s.	NO.
Dec. 1 Balance	2	0	Dec. 6 Building Co.	10		31
b/d			„ 9 Trading Co.		4	32
			„ 10 Bus Fare		3	33
			„ 12 Treasurer	1	3	
	<u>£2</u>	<u>0</u>		<u>£2</u>	<u>0</u>	

It will be seen that seventeen shillings was spent on items of expenditure in December. On 12th December the headteacher decided to close the account for the year and did so by returning the full balance to the Treasurer. This is a wise procedure, first because the money is safer away from the school during the holidays and secondly because it finalizes the accounts in a neater way.

Where money is returned to the Treasurer, as in the illustration, the headteacher would make an entry in his Cash Book on the receipts side to show that he has paid cash back into the main account.

Closing the Stock Book and Stock-taking

Finally comes the Stock Book. If the headteacher has kept his Stock Book up-to-date and has recorded

all receipts and issues of stock, all that remains for him to do is to make an actual check of the stock of each item to ensure that what is in the storeroom agrees with the balances in the Stock Book. This check is called Stock-taking.

When all is completed the headteacher is then ready to present his Books and Vouchers to the Auditors.

§16. The Income and Expenditure Account

The Audit takes place. The Auditor checks the books, putting special ticks by each item in the Cash Book and its counterpart in the Income Book or the Vote Book, or the Petty Cash Book. The total of the Debit side of the Cash Book should agree with the total of actual income in the Income Book and the total on the Credit side should agree with the total of actual expenditure in the Vote Book.

He will check the actual money in the cash-box against the balance in the Cash Book or in the Petty Cash Book, if cash is retained by the headteacher. He will also take a total check or a sample check of the stock in the storeroom. As he proceeds he will probably ask the headteacher for information about certain items and will require explanations of others.

Finally he will draw up what is called the Income and Expenditure account, which is a summary of all the accounts and is prepared for presentation to the Board who appointed him to examine the accounts.

In our example the Auditor would have an easy

INCOME AND EXPENDITURE ACCOUNT

as at 31st December, 1963

EXPENDITURE		ESTIMATES		INCOME	
ESTIMATES ITEM NO.		ITEM NO.			
	£		£		
1. Staff Salaries	2,574	1. Staff Salaries			2,574
2. Consumable Equipment	150				
3. Semi-permanent Equipment	160				
4. Permanent Equipment	300	2. Permanent Equipment			300
5. Maintenance and Repairs	8				
6. School Meals	720	5. School Meals			720
7. Travel and Transport	25				
8. Medical	10	3. Medical			10
9. Sports	10	4. Sports			10
10. Miscellaneous	11				
		6. Tuition Fees			400
Balance	46				
	<u>£4,014</u>				<u>£4,014</u>

task and his Income and Expenditure Account would appear as shown on page 61.

The Balance in Hand

In the illustration the final position is clearly set out. All money received from the L.E.A. and other bodies has been spent as received and as intended. There remains a balance of £46 due to economies in expenditure on items which receive revenue from fee income. An analysis of this balance gives the following details:

	ESTIMATE	SPENT	SAVING
Consumable Equipment	£200	£150	£50
Semi-permanent Equipment	£160	£160	—
Maintenance and Repairs	£10	£8	£2
Travel and Transport	£30	£25	£5
Miscellaneous	£20	£11	£9
	TOTAL SAVINGS		£66
	LESS LOSS OF FEE INCOME		£20
			£46

The Board would most likely instruct the headteacher to carry the balance of £46 forward to the next school year as a single item of income rather than as a number of separate balances for particular Heads.

It should be noted here that the balance of £46 should either be with the headteacher in the form of

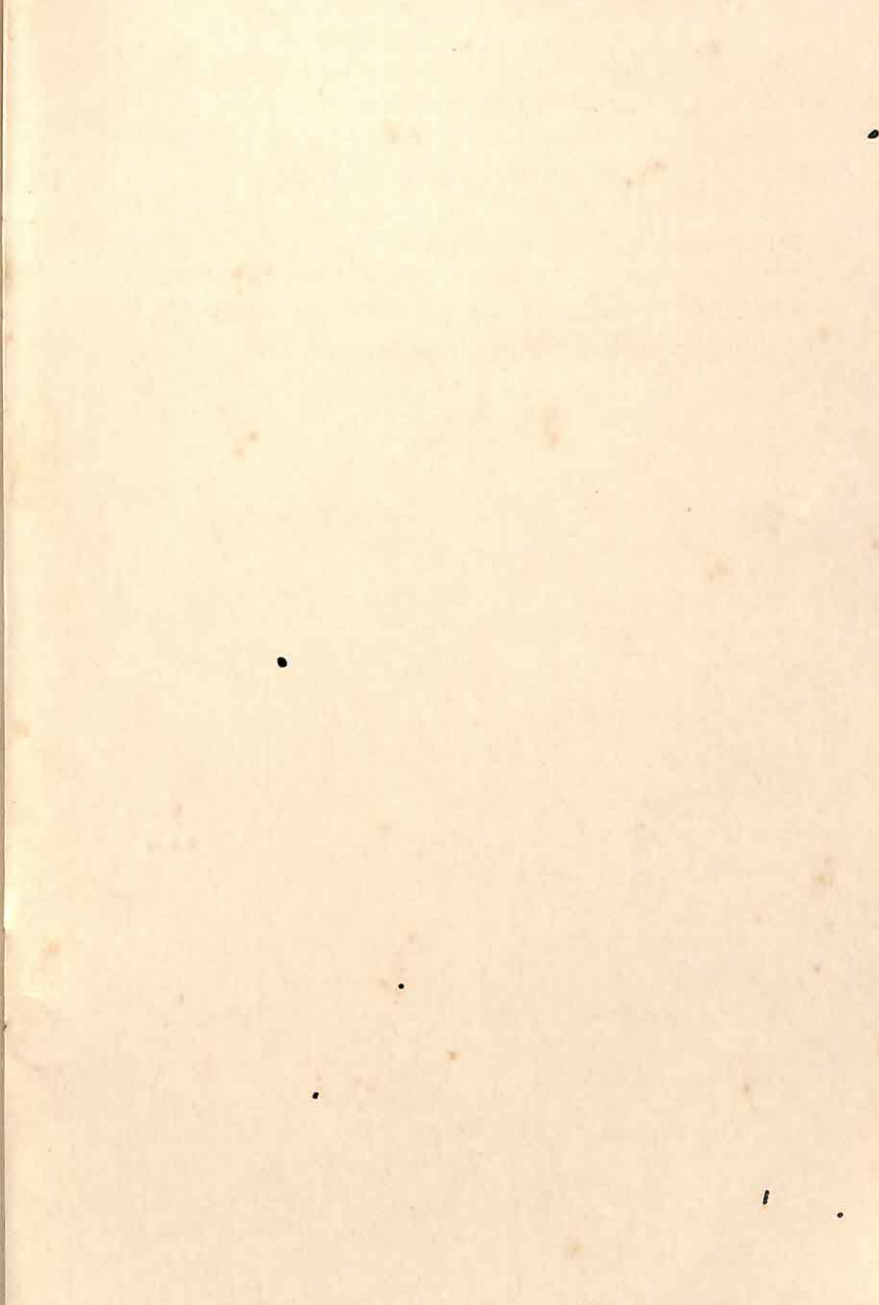
actual cash, or wholly or partly at the Bank in the form of a bank balance, or, as is most likely, with the School Manager or Treasurer to the Board.

§17. Conclusion

At the beginning of this book I wrote that 'the book-keeping described here is as simple as it can possibly be made'. Having read through the book you may now think the system described is not so simple after all. Certainly there are simpler methods. For example, shortly before beginning to write this book I saw a headteacher with a very simple method of keeping books. He had two books only. In one he entered everything received and everything paid out on a single page. The other was a Stock Book in which he entered all stock received and all issues of stock on one page. This was simplicity itself and the supporting vouchers presented even less difficulty as they were all placed loosely in a file cover along with various other notes and letters. However, with the knowledge of the meaning and method of school accounts as described in this book readers will readily see the great disadvantages of the apparently simple system being used by this headteacher. He had no real check on money received and no check on expenditure under the various Heads. In fact, the accounts he had were like a story produced by an illiterate—all jumbled together without clarity or understanding.

We have seen that the purpose of accounting is to

give an account of our dealings during the school-year to the authorities who appoint us and give us responsibility. They want a clear, concise picture of facts and events. In this book I have tried to assist headteachers and others who are concerned with the supervision and administration of schools to understand accounts, to make their records without difficulty and finally to present accounts to the authorities easily, readily, and successfully.



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